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**AerCap Global Aviation Trust**

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**TRUST NAME: AERCAP GLOBAL AVIATION TRUST**  
**HEADLINE: ANNUAL REPORT**

**AERCAP GLOBAL AVIATION TRUST**  
**ANNUAL REPORT FOR THE YEAR ENDED**  
**DECEMBER 31, 2019**

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**AerCap Global Aviation Trust**

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## AerCap Global Aviation Trust

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### TABLE OF DEFINITIONS

<b>AerCap</b>	AerCap Holdings N.V.
<b>AerCap Group</b>	AerCap Holdings N.V. and its subsidiaries
<b>AICDC</b>	AerCap Ireland Capital Designated Activity Company, a designated activity company with limited liability incorporated under the laws of Ireland
<b>ILFC Transaction</b>	The purchase by AerCap and AerCap Ireland Limited, a wholly-owned subsidiary of AerCap, of 100 percent of ILFC's common stock from AIG on May 14, 2014
<b>AerCap Trust, we or us</b>	AerCap Global Aviation Trust
<b>AIG</b>	American International Group, Inc.
<b>Airbus</b>	Airbus S.A.S.
<b>Boeing</b>	The Boeing Company
<b>Embraer</b>	Embraer S.A.
<b>ILFC</b>	International Lease Finance Corporation
<b>LIBOR</b>	London Interbank Offered Rates

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## AerCap Global Aviation Trust

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### Management Responsibility Statement

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In preparing the financial statements, management is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with accounting standards, identify those standards and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume AerCap Trust will continue in business.

Management is responsible for ensuring AerCap Trust causes to be kept adequate accounting records which correctly explain and record the transactions of AerCap Trust, enable at any time the assets, liabilities, financial position and profit or loss of AerCap Trust to be determined with reasonable accuracy and enable the financial statements to be audited. They are also responsible for safeguarding the assets of AerCap Trust and hence taking reasonable steps for the prevention and detection of fraud or other irregularities.

We confirm to the best of our knowledge:

- The audited financial statements for the year ended December 31, 2019 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and income statement of AerCap Trust.
- The management report includes a fair review of the development and performance of the business and position of AerCap Trust, together with a description of the principal risks and uncertainties it faces.



**Tom Kelly**  
Chief Executive Officer



**Stephanie Crean**  
Chief Financial Officer

**April 29th, 2020**

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## AerCap Global Aviation Trust

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### Management Report For the year ended December 31, 2019

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Management presents their report and the audited financial statements for the year ended December 31, 2019.

In this Report, unless otherwise mentioned or unless the context requires otherwise, we use the terms the “Trust,” “management,” “we,” “our,” and “us” to refer to AerCap Trust.

Management has prepared the financial statements under FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” as promulgated by the Institute of Chartered Accountants in Ireland.

#### **BACKGROUND**

AerCap Trust’s business primarily comprises the leasing of commercial jet aircraft. We lease most of our aircraft to airlines under operating leases. Rather than purchasing their aircraft, many airlines operate their aircraft under operating leases because operating leases reduce their capital requirements and costs, and allow them to manage their fleet more efficiently.

AerCap Trust is an indirect wholly-owned subsidiary of AerCap Group, a global leader in aircraft leasing. As at December 31, 2019, AerCap Group had 1,334 owned, managed or on order aircraft in its portfolio. Of this total AerCap Trust owned 257 (2018:286) aircraft under operating leases and had 178 (2018:229) aircraft on order as at December 31, 2019. In addition, AerCap Trust held 33 (2018:33) aircraft under finance leases as at December 31, 2019.

We operate our business on a global basis, leasing aircraft to customers in every major geographical region.

AerCap is incorporated in the Netherlands and is listed on the New York Stock Exchange under the ticker symbol AER. AerCap Group has its headquarters in Dublin with offices in Shannon, Los Angeles, Singapore, Amsterdam, Shanghai and Abu Dhabi. We also have representative offices with the world’s largest aircraft manufacturers, Boeing in Seattle and Airbus in Toulouse.

AerCap Trust, a statutory Trust in the State of Delaware, United States, was formed on February 5, 2014, with its principal office in Ireland. AICDC is the principal beneficiary of AerCap Trust. On the Closing Date, immediately after completing the ILFC Transaction, substantially all of ILFC’s assets were transferred as an entirety to, and substantially all of ILFC’s liabilities were assumed by, AerCap Trust (the “Reorganisation”).

In connection with the Reorganisation, AerCap Trust agreed to assume ILFC’s obligations under its debt agreements and AerCap and certain of its subsidiaries agreed to guarantee such obligations. Accordingly, AerCap Trust became the successor obligor in respect of the notes issued under ILFC’s various indentures (“ILFC Legacy Notes”).

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

Management has identified a number of risks facing AerCap Trust and has undertaken the following approach to deal with the relevant risks.

##### **Covid-19 infectious diseases risk**

The outbreak of COVID-19 has resulted in a number of countries imposing travel restrictions and mandatory quarantine periods for people traveling from affected regions, and has sharply reduced passenger demand for travel across the world, causing a great reduction in commercial airline traffic, substantial flight cancellations, and significant economic disruption. The continuing spread of the virus to additional countries and regions, or the persistence of current conditions for any appreciable period of time, could lead to even greater economic disruption and a broader adverse impact on air travel and the aviation industry.

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## AerCap Global Aviation Trust

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### Management Report For the year ended December 31, 2019

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#### **Covid-19 infectious diseases risk** *(continued)*

Our financial condition depends on the ability of our lessees to perform their payment and other obligations to us under our leases, and the downturn in the aviation industry resulting from COVID-19 has begun and in the future could continue to weaken the financial condition and exacerbate the liquidity problems of some of our lessees, and further increases the risk that they will delay, reduce or fail to make rental payments when due. In addition, the downturn has begun and in the future could continue to cause lower utilization of our aircraft assets, which in turn results in a reduction in supplemental maintenance rent or end-of-lease compensation payable to us, and could impact our ability to lease or sell our aircraft. We may also experience delayed or lost revenue if key aircraft manufacturers are unable to deliver aircraft on schedule due to Covid-19- related issues, such as supply chain disruptions, production cuts, facility shutdowns or liquidity constraints, although it is difficult for us to predict with certainty the impact that the Covid-19 outbreak will have on manufacturers.

Moreover, our lessees are concentrated in certain geographical regions, including China, and some of these regions have suffered or may suffer disproportionate impacts from the virus. A downturn in the aviation industry that affects the regions where our lessees are concentrated to a greater degree than other regions will in turn have an increased impact on us. All of these actual and potential developments arising from the outbreak of COVID-19 could materially and adversely affect our financial condition, results and cash flows.

#### **Asset and credit risk**

AerCap Trust leases aircraft on an operating lease and bears i) the asset deterioration risk in the underlying value of the aircraft and ii) the credit risk of the airline during the life of the lease.

Management looks to mitigate these risks by collecting maintenance reserves and/or collecting security deposits where appropriate, and where possible, either extending the lease term on the aircraft or remarketing the aircraft.

#### **Funding risk**

As of December 31, 2019, we had 178 new aircraft on order. Due to the capital-intensive nature of our business, we expect that we will incur additional indebtedness in the future and continue to maintain substantial levels of indebtedness. We have significant principal and interest payments on our outstanding indebtedness and substantial aircraft forward purchase contract payments. In order to meet these commitments, and to maintain an adequate level of unrestricted cash, we will need to raise additional funds by accessing committed debt facilities, securing additional financing from banks or through capital markets transactions, or possibly selling aircraft. Our typical sources of funding may not be sufficient to meet our liquidity needs, in which case we may be required to raise capital from new sources, including by issuing new types of debt.

AerCap Trust primarily uses fixed rate debt to finance its business, which provides an interest rate hedge against lease rentals, which in turn are largely fixed over their term.

#### **Technical, maintenance and environmental risks**

The lessee undertakes the responsibility for ensuring that the aircraft complies with current environmental, technical and maintenance regulations and statutory obligations where necessary.

#### **Public liability risk**

The lessee is responsible for ensuring that the aircraft has adequate insurance cover.

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## AerCap Global Aviation Trust

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### Management Report For the year ended December 31, 2019

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#### BUSINESS REVIEW AND DEVELOPMENTS

The significant events that occurred during the year ended December 31, 2019 and their impact on the financial statements are described below.

AerCap Trust realised a profit of \$513.5 million during the year ended December 31, 2019 with a turnover of \$1.4 billion. During the year ended December 31, 2018, AerCap Trust realised a profit of \$549.2 million with a turnover of \$1.6 billion. We would like to draw attention to the following movements:

- The overall decrease in turnover (\$217.2 million) and depreciation and impairment (\$57.0 million) for the year ended December 31, 2019 compared to the same period last year is as a result of the net book value of aircraft sales being greater than acquisitions in the period (further details provided below).
- The gross profit margin decreased to 56.8% for the year ended December 31, 2019 from 59.1% for the prior year. This is primarily driven by the increase in the impairment charge to \$103.2 million (December 31, 2018: \$14.3 million), partially offset by an increase in end-of-lease compensation.
- Gain on sale of tangible fixed assets increased to \$37.5 million during the year ended December 31, 2019 from \$2.5 million loss during the equivalent period in 2018. This was primarily driven by the age and mix of aircraft sold during the two periods.
- Interest Income increased to \$727.1 million at year ended December 31, 2019 from \$639.0 million in the prior period. This increase primarily relates to interest on Loans to Group undertakings and is in line with increased amounts owed by Group undertakings during the year. Interest expense was largely unchanged from the prior period. Overall net interest expense decreased by \$89.2 million to \$156.6 million (December 31, 2018: \$245.8 million)
- Operating income decreased by \$5.8 million to \$5.7 million for the year ended Dec 31, 2019 from \$11.5 million for the prior year. The decrease was primarily due to a decrease of \$4.3 million in lease terminations and a decrease of \$1.8m in sales parts income for the year ended Dec 31, 2019.

The most significant movement in the Statement of Financial Position between December 31, 2018 and December 31, 2019 was the reduction in the net book value of Fixed Assets - Aircraft. The net book value decreased by \$781 million following the sale of 88 aircraft with a net book value of \$3.9 billion and depreciation and impairment of \$600.1 million, partially offset by new acquisitions totalling \$3.7 billion. Of the 88 aircraft sold during the year, 55 were intercompany sales.

During the year ended Dec 31, 2019, \$2.0 billion of scheduled ILFC Legacy Notes payments were made and unsecured Notes of \$1.1 billion that matured in May 2019 were also repaid.

In January 2019, AerCap Trust and AICDC co-issued \$700.0 million aggregate principal amount of 4.45% senior notes due 2021 and \$400.0 million aggregate principal amount of 4.875% senior notes due 2024. In April 2019, AerCap Trust and AICDC co-issued \$500.0 million aggregate principal amount of 4.45% senior notes due 2026 and \$500.0 million aggregate principal amount of 4.875% senior notes due 2024 (which was an additional issuance of the notes originally issued in January 2019). In August 2019, AerCap Trust and AICDC co-issued \$750.0 million aggregate principal amount of 2.875% senior notes due 2024. The net impact of the debt movement was an overall reduction of \$0.30 billion for the year end December 31, 2019.

AerCap Trust is constantly under review by Management, as future results depend on industry conditions and the ability of AerCap Trust to achieve satisfactory lease rates in the current environment and minimize downtime. AerCap Trust intends to continue its existing activities during the coming year.

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**AerCap Global Aviation Trust**

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**Management Report**  
**For the year ended December 31, 2019**

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**Subsequent events**

In February 2020, the Trust exercised an option to purchase an additional 50 Airbus A320neo Family aircraft from Airbus, with deliveries starting in 2024.

The recent outbreak of COVID-19 has caused or in the near future may cause certain underlying risks to our business posed by epidemic diseases to crystallize. These risks include adverse effects to our financial condition arising from a significant decrease in commercial airline traffic, and are described in more detail under the heading “PRINCIPAL RISKS AND UNCERTAINTIES—Covid-19 infectious diseases risk.”





# ***Independent auditors' report to the management of AerCap Global Aviation Trust***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, AerCap Global Aviation Trust's financial statements:

- give a true and fair view of the trust's assets, liabilities and financial position as at 31 December 2019 and of its profit for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standards 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland").

We have audited the financial statements, included within the annual report which comprise:

- the Statement of Financial Position as at 31 December 2019;
  - the Income Statement for the year then ended;
  - the Statement of Comprehensive Income for the year then ended;
  - the Statement of Changes in Equity for the year then ended; and
  - the Notes to the financial statements, which include a description of the significant accounting policies.
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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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## Our audit approach

### Overview



#### Materiality

- \$15 million (2018: \$19.1 million)
- Based on circa 3% of profit before tax.

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#### Audit scope

- We performed a full scope audit of the company's financial statements, based on materiality levels.

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#### Key audit matters

- Aircraft event-driven impairment and resulting impairment charges.
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### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.



<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p data-bbox="199 468 719 524"><i>Aircraft event-driven impairment and resulting impairment charges</i></p> <p data-bbox="199 562 815 669">Refer to Note 1.1, Note 1.6, Note 2, Note 8 and Note 22. Aircraft amounts to \$9.3 billion at year-end 2019 and represents 36% of total assets. Impairment charge for the year is \$103.2 million.</p> <p data-bbox="199 701 834 916">Management performs event-driven impairment assessments on all aircraft older than five years to identify potential impairment triggers and performed a quantitative impairment test on those aircraft, which are identified as having an impairment trigger. Trigger based impairment events, included for example potential sales of aircraft, redeliveries of older aircraft and aircraft with early-terminated leases.</p> <p data-bbox="193 949 842 1142">We determined that the identification of impairment events and resulting impairment calculations is a key audit matter because management exercise significant judgment regarding the identification of impairment indicators and the estimate of significant assumptions when projecting future cash flows such as future lease rates and the discount rate applied.</p> <p data-bbox="199 1176 743 1232">We also focused on the adequacy of the disclosures including the disclosures relating to COVID-19.</p>	<p data-bbox="853 526 1490 607">We tested the design and operating effectiveness of the controls related to the identification of impairment triggers and the determination of the aircraft impairment charge.</p> <p data-bbox="853 640 1497 855">We evaluated management’s identification of the impairment triggers. We tested management’s process for developing the annual impairment assessment model. We also tested the completeness and accuracy of the underlying data used in the model; evaluated the significant assumptions used by management including the future lease rates and the discount rate and evaluated the reasonableness of the resulting cash flow projections.</p> <p data-bbox="853 889 1493 1133">Evaluating management’s assumptions relating to future lease rates involved assessing whether the assumptions used by management were reasonable considering (i) current lease rates, (ii) whether these assumptions were consistent with the evidence obtained in other areas of the audit and (iii) performing sensitivity analysis. We challenged the discount rates used by management by comparing these to independently calculated discount rates using market data for comparable companies.</p> <p data-bbox="853 1167 1474 1301">Based on our procedures we found management’s model and assumptions used to be reasonable within the context of our audit. We assessed the adequacy of disclosures related to impairment in the notes to the financial statements and did not identify material exceptions.</p> <p data-bbox="853 1335 1493 1527">Since the year end the impact of COVID-19 has given rise to an unprecedented level of economic uncertainty. We considered the adequacy of the disclosures made in Note 1.1 ‘basis of preparation’ and Note 22 Post Balance Sheet events, by reference to our knowledge of the company and results of our audit. We were satisfied that the disclosures made were appropriate in the circumstances.</p>

**How we tailored the audit scope**

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the trust, the accounting processes and controls, and the industry in which it operates.

**Materiality**

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.



Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<b>Overall materiality</b>	\$15 million (2018: \$19.1 million)
<b>How we determined it</b>	Circa 3% of profit before tax of the trust
<b>Rationale for benchmark applied</b>	We believe that profit before tax is the primary measure used by the unitholders in assessing the performance of the entity, and is a generally accepted auditing benchmark.

We agreed with the management board that we would report to them misstatements identified during our audit above \$0.7 million (2018: 0.9 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- management's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- management has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trust's ability to continue as a going concern.

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### Reporting on other information

The other information comprises all of the information in the annual report other than the financial statements and our auditors' report thereon. Management is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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## Responsibilities for the financial statements and the audit

### *Responsibilities of the management board for the financial statements*

As explained more fully in the Management Responsibility Statement, the management is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

Management is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the trust or to cease operations or have no realistic alternative but to do so.



*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)

This description forms part of our auditors' report.

*Use of this report*

This report, including the opinions, has been prepared for and only for the trust's management as a body and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

A handwritten signature in blue ink, appearing to read 'Emma Scott', with a stylized flourish at the end.

Emma Scott  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants  
Dublin  
**29 April 2020**

**AerCap Global Aviation Trust**

**Income Statement**  
**For the year ended December 31, 2019**

	<b>Note</b>	<b>2019</b> <b>\$000</b>	2018 \$000
<b>Turnover</b>	3	<b>1,390,529</b>	1,607,764
Depreciation and impairment	8	<u>(600,125)</u>	<u>(657,143)</u>
<b>Gross profit</b>		<b>790,404</b>	950,621
Operating income	5	5,676	11,470
Operating expenses	6	<u>(163,554)</u>	<u>(164,613)</u>
<b>Operating profit</b>		<b>632,526</b>	797,478
Gain/(loss) on sale of tangible fixed assets		<u>37,542</u>	<u>(2,542)</u>
<b>Profit on ordinary activities before interest</b>		<b>670,068</b>	794,936
Interest receivable and similar income	7	727,110	639,007
Interest payable and similar charges	7	<u>(883,664)</u>	<u>(884,784)</u>
<b>Profit on ordinary activities before taxation</b>		<b>513,514</b>	549,159
Taxation on profit on ordinary activities		<u>-</u>	<u>-</u>
<b>Profit for the financial period</b>		<b><u>513,514</u></b>	<b><u>549,159</u></b>

There were no recognised gains or losses for the year ended December 31, 2019 other than those included in the Income Statement.

The notes on pages 16 to 40 form an integral part of these financial statements.

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**AerCap Global Aviation Trust**

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**Statement of Comprehensive Income  
For the year ended December 31, 2019**

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	<b>2019</b>	2018
	<b>\$000</b>	\$000
<b>Profit for the financial period</b>	<b>513,514</b>	549,159
<b>Other comprehensive income:</b>		
Items that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the financial period</b>	<b><u>513,514</u></b>	<b><u>549,159</u></b>

The notes on pages 16 to 40 form an integral part of these financial statements.

**AerCap Global Aviation Trust**

**Statement of Financial Position  
As at December 31, 2019**

	Note	December 31, 2019 \$000	December 31, 2018 \$000
Fixed Assets - Aircraft	8	9,286,573	10,067,166
Financial Assets - Investments	17	855,890	859,546
		<b><u>10,142,463</u></b>	<b><u>10,926,712</u></b>
<b>Non-Current Assets</b>			
Debtors: Amounts falling due after more than one year	12	667,498	866,092
<b>Current Assets</b>			
Inventory	9	-	8,108
Debtors: Amounts falling due within one year	11	18,357,355	18,040,036
Cash at bank	10	154,352	318,445
		18,511,707	18,366,589
<b>Current Liabilities</b>			
Creditors: Amounts falling due within one year	14	(5,062,600)	(6,680,717)
<b>Net Current Assets</b>		<b><u>13,449,107</u></b>	<b><u>11,685,872</u></b>
<b>Non-Current Liabilities</b>			
Creditors: Amounts falling due after more than one year	15	(15,397,701)	(15,130,823)
<b>Net assets</b>		<b><u>8,861,367</u></b>	<b><u>8,347,853</u></b>
<b>Equity</b>			
Beneficial ownership interest	20	4,544,018	4,544,018
Other reserves		71,392	71,392
Retained earnings		4,245,957	3,732,443
<b>Total Equity</b>		<b><u>8,861,367</u></b>	<b><u>8,347,853</u></b>

The notes on pages 16 to 40 form an integral part of these financial statements.



**AerCap Global Aviation Trust**

**Statement of Changes in Equity  
For the year ended December 31, 2019**

	<b>Beneficial ownership interest \$000</b>	<b>Other reserves \$000</b>	<b>Retained earnings \$000</b>	<b>Total equity \$000</b>
Opening balance as at January 1, 2019	4,544,018	71,392	3,732,443	8,347,853
Profit for the period	-	-	513,514	513,514
Other reserves	-	-	-	-
Closing balance as at December 31, 2019	<u>4,544,018</u>	<u>71,392</u>	<u>4,245,957</u>	<u>8,861,367</u>

  

	<b>Beneficial ownership interest \$000</b>	<b>Other reserves \$000</b>	<b>Retained earnings \$000</b>	<b>Total equity \$000</b>
Opening balance as at January 1, 2018	4,544,018	57,963	3,183,284	7,785,265
Profit for the period	-	-	549,159	549,159
Other reserves	-	13,429	-	13,429
Closing balance as at December 31, 2018	<u>4,544,018</u>	<u>71,392</u>	<u>3,732,443</u>	<u>8,347,853</u>

The notes on pages 16 to 40 form an integral part of these financial statements.

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## AerCap Global Aviation Trust

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### Notes to the Financial Statements For the year ended December 31, 2019

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#### 1. ACCOUNTING POLICIES

AerCap Trust is a Delaware Statutory Trust, formed on February 5, 2014, with its principal offices in Ireland. The address of its registered office is 4450 Atlantic Avenue Westpark, Shannon, Co. Clare, Ireland.

#### 1.1 BASIS OF PREPARATION

AerCap Trust's financial statements have been prepared on the going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland). AerCap Trust's financial statements comply with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and present AerCap Trust on an entity basis only. Were AerCap Trust to prepare consolidated financial statements, the consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income would be materially different from that presented in these accounts.

Management have a reasonable expectation that the Trust will continue in operational existence for twelve months from the date of approval of the financial statements ('the period of assessment') and have prepared the financial statements on a going concern basis.

In making this assessment management considered the potential impact of Covid-19 on the aviation industry and the trust's business, including:

- the Trust's initial assessment of the impact on its business & profitability;
- the Trust's funding and liquidity position;
- cashflow forecasts and potential impact of rent deferral agreements requested;
- the Trust's capital commitments;
- the Trust's debt maturity profile and covenants headroom; and
- the ability of the parent, AerCap Holdings N.V to provide support.

While at this early stage it is not possible to quantify the financial impact on the Trust's business, management do not expect it to impact the trust's ability to meet its commitments as they fall due over the next 12 months. On the basis of the above, management have concluded that the trust has no material uncertainties which would cast a significant doubt on the trust's ability to continue as a going concern over the period of assessment.

#### Non-adjusting events

FRS 102 defines an adjusting event as an event that provides evidence of conditions that existed at the reporting date. A non-adjusting event indicates conditions that arose after the reporting date.

The situation at 31 December 2019 was that a limited number of cases of an unknown virus had been reported to the World Health Organisation [WHO]. There was no explicit evidence of human-to-human transmission at that date. These are the conditions that existed at 31 December 2019. The subsequent spread of the virus and its identification as the Covid-19 pandemic by the WHO does not provide additional evidence about the situation that existed at 31 December 2019, and it is therefore a non-adjusting event.

As Covid-19 is a non-adjusting event, its post year end impact has not been taken account of in the recognition and measurement of the trust's assets or liabilities at 31 December 2019. The Covid-19 pandemic has created turbulence in financial markets and economic uncertainty, which will impact individuals and businesses. The full impact on the aviation industry including the trust's business, assets and liabilities is not yet certain. The impact of the current uncertainty around airlines, global travel restrictions and businesses and global markets could lead to material impact on the value of certain aircraft models and future lease rates in the short to medium term.

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## AerCap Global Aviation Trust

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### Notes to the Financial Statements For the year ended December 31, 2019

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#### 1. ACCOUNTING POLICIES *(continued)*

##### 1.1 BASIS OF PREPARATION *(continued)*

However, given the inherent uncertainties, it is not possible to quantify the financial impact of Covid-19 on the trust's future financial performance, assets and liabilities at this point in time.

These audited financial statements were prepared on a consistent basis with the financial statements for the year ended December 31, 2018. AerCap Trust's financial statements have been prepared under the historical cost convention and are stated in U.S. dollars, which is the principal operating currency of AerCap Group.

AerCap Trust is considered a qualifying entity for the purposes of FRS 102. Note 18 gives details of AerCap Trust's ultimate controlling party in which it consolidates and from where its consolidated financial statements may be obtained.

As a qualifying entity, AerCap Trust has availed of the following exemptions from the disclosure requirements of FRS 102 in the preparation of the entity financial statements:

- The requirements of paragraph 4.12(a)(iv) to disclose a reconciliation of the number of shares outstanding at the beginning and at the end of the period;
- The requirements of section 7 and paragraph 3.17(d) to present a statement of cash flows;
- The requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29(a), 12.29(b), and 12.29A to disclose information about financial instruments;
- The requirements of paragraphs 26.18(b), 26.19 to 26.21 and 26.23 to disclose certain information about share based payment arrangements; and
- The requirements of paragraph 33.7 to disclose the Trust's key management personnel compensation.

The following principal accounting policies have been applied:

##### 1.2 REVENUE

Revenue from aircraft under operating lease is recognised as income as it accrues over the period of the lease on a straight-line basis and when the earnings process is complete. Unearned revenue from finance and sales type leases is amortised to lease income in a manner which produces a constant rate of return on the net investment in the lease.

Revenue from aircraft trading transactions is recognised as income when the contract for sale or supply of the relevant aircraft is completed and the risk of ownership of the equipment is transferred. Gains and losses on sales of aircraft are included on a net basis in the Income Statement (Gain or Loss) on sale of tangible fixed assets. This represents the difference between disposal proceeds and the book value of aircraft sold.

Interest on lessee notes receivable is recognised as income as it accrues.

In many lease contracts, the lessee makes a payment of supplemental rent which is calculated with reference to the utilization of the airframe, engines and other life-limited components during the lease.

**Notes to the Financial Statements  
For the year ended December 31, 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.2 REVENUE (continued)**

In the majority of leases, we do not recognise supplemental rent as revenue, but as an accrued liability. AerCap Trust reimburses the lessee for the maintenance work completed up to a maximum of the supplemental rent received in respect of the lease contract. Any surplus amounts of accrued maintenance liability existing on termination of a lease are recorded as revenue at that time.

In most lease contracts not requiring the payment of supplemental rents, the lessee is required to re-deliver the aircraft in a similar maintenance condition (normal wear and tear excepted) as when accepted under the lease. To the extent that the aircraft are redelivered in a different condition than at acceptance, there is normally an end-of-lease compensation adjustment for the difference at redelivery. AerCap Trust recognise receipts of end-of-lease compensation adjustments as lease revenue when received and payments of end-of-lease adjustments as leasing expenses when paid.

Lease termination fees arise from contractual obligations upon early termination of leases by lessees. AerCap Trust recognises this revenue in operating income at the fair value of consideration received or receivable. Where there is a concern about the collectability of income, amounts will be recognised on a cash accounting basis.

**1.3 CURRENT AND DEFERRED TAXATION**

AerCap Trust is a transparent entity for Irish purposes and consequently not within the charge to Irish tax. All income and gains recorded by AerCap Trust are subject to tax at 12.5% in AICDC, as the beneficial owner of AerCap Trust.

**1.4 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

AerCap Trust's functional currency is U.S. dollars.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges. Aircraft leasing is a U.S. dollar denominated business and therefore exposure to foreign exchange movement is limited with aircraft rentals, purchase prices and aircraft financing largely denominated in U.S. dollars.

**1.5 NON-REFUNDABLE DEPOSITS ON AIRCRAFT PURCHASE COMMITMENTS**

We recognise non-refundable deposits on aircraft purchase commitments ("Prepayments") as assets on the Statement of Financial Position when the deposit is paid to the aircraft manufacturer. We capitalise interest on the Prepayments and add the capitalised interest amount to the Prepayments. The non-refundable deposits are recognised on a current or non-current basis, dependent on the expected aircraft delivery date.

**Notes to the Financial Statements  
For the year ended December 31, 2019**

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**1. ACCOUNTING POLICIES** *(continued)*

**1.6 AIRCRAFT**

Aircraft are stated at historical cost less accumulated depreciation. Additional charges are made to reduce the net book value of specific assets to the recoverable amount where an impairment is considered to have occurred in accordance with Section 27 of FRS 102. Where the recoverable amount is greater than the carrying value, no adjustment is made.

On delivery of the aircraft from the manufacturers, which is generally the point at which ownership passes to AerCap Trust, the total cost of the aircraft included within Fixed Assets represents the final amount paid to the manufacturer on aircraft delivery as well as the relevant Prepayment balance.

Cost comprises the total invoiced cost net of manufacturers' discounts, but inclusive of applicable capitalised interest. Depreciation is calculated on a straight-line basis. The estimates of useful lives and residual values are reviewed periodically. The estimated residual values are generally 15% of original cost. Original cost is defined as the average purchase price of each asset type. The estimated useful life of aircraft is up to 25 years from the date of manufacture.

At each reporting date, AerCap Trust assesses whether there is any indication of impairment, usually on the basis of independent market appraisals and indications of market demand. An impairment is measured by comparing the carrying value of the aircraft with the recoverable amount. Recoverable amount is the higher of the net realisable value and value in use. Value in use is based on the anticipated future cash flows from the aircraft until the expected end of life, discounted at 5.8% (2018: 5.8%).

**1.7 LEASE PREMIUM**

In instances where the purchase of flight equipment includes consideration which can be allocated to the value of an acquired lease containing above market terms, such allocated costs are recognised as a lease premium which is amortised, on a straight-line basis, over the term of the related lease as a reduction of lease revenue.

**1.8 LEASE DEFICIENCY**

In instances where the purchase of flight equipment includes a lease where the terms of the lease contract are unfavourable to market terms AerCap Trust recognises a lease deficiency liability. This lease deficiency liability amortises over the term of the related lease as an addition to lease revenue.

**1.9 DEFERRED ISSUANCE COSTS**

The cost of financing is deferred and is amortised to the profit and loss over the expected term of the debt. Where debt is repaid, the related portion of the original deferred financing cost is expensed.

**1.10 CREDITORS**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**Notes to the Financial Statements  
For the year ended December 31, 2019**

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**1. ACCOUNTING POLICIES** *(continued)*

**1.11 FINANCIAL INSTRUMENTS**

In accordance with paragraph 11.2 (b) of FRS 102, AerCap Trust has chosen to account for financial instruments using the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and measurement (as adopted for use in the EU). As such, the Financial Liabilities are initially measured at fair value, being their issue proceeds (fair value of consideration received) net of issue costs incurred. They are subsequently stated at amortised cost: any difference between proceeds net of issue costs and the redemption value is recognised in the Income Statement over the period of the debt securities issued using the effective interest method.

**1.12 MAINTENANCE**

Maintenance related revenue accounting policies are included in 1.2 above. In addition, in both types of contracts, we may be obligated to make additional payments to the lessee for maintenance related expenses (lessor maintenance contributions or top-ups) primarily related to usage of major life-limited components occurring prior to the lease. We record a charge to leasing expenses at the time of the occurrence of a lessor contribution or top-up payment, except in instances where we have established an accrual as an assumed liability for such payment in connection with the purchase of an aircraft with a lease attached, in which case such payments are charged against the existing accrual.

**1.13 FINANCE COSTS**

Interest income and interest expense are recognised using the effective interest method.

**1.14 INVESTMENTS**

Investments are stated at cost less impairment provisions. AerCap Trust evaluates its investments regularly for permanent impairments in value and records adjustments to the carrying value as appropriate.

**1.15 CASH**

Cash and cash equivalents include cash held with banks. There are no restrictions on the use of the cash.

**1.16 SECURITY DEPOSITS**

Lessee security deposits are recognised at their fair value and discounting is applied where appropriate. All discounted amounts are accreted to their respective nominal values using the effective interest rate method within interest expense.

**1.17 FINANCE LEASES**

If a lease meets specific criteria under FRS 102, we recognise Finance Lease Receivables as Debtors in the Statement of Financial Position. The amounts recognised as finance leases consist of lease receivables and the estimated unguaranteed residual value of the leased aircraft less the unearned income. Expected unguaranteed residual values of leased aircraft are based on our assessment of the values of the leased flight equipment at expiration of the lease. The unearned income is recognised in lease revenue over the lease term, in a manner that produces a constant rate of return on the lease. At each reporting date, AerCap Trust assesses whether there is any indication of impairment to our finance and sales-type leases where we do not expect to recover the finance lease balances. Impairment charges on our finance and sales-type leases are included in other expenses in the Income Statement.

**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

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**2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying AerCap Trust's accounting policies especially with the uncertainty in the current climate due to COVID-19.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. Further details are set out below.

**Collectability of trade receivables**

Evaluating collectability of trade receivables requires some level of subjectivity and judgement. When collectability of rental payments is not deemed probable, revenue is recognised when cash payments are received. Collectability is evaluated based on factors such as the lessee's credit rating, payment performance, financial condition and requests for modifications of lease terms and conditions as well as security received from the lessee in the form of cash and/or guarantees and/or letters of credit.

**Useful economic lives of aircraft, residual values and impairment**

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. An impairment review is carried out on a periodic basis. Key input assumptions, including future lease rates, maintenance cash flows, discount rates, aircraft holding periods and residual values are reviewed and revised as necessary.

**Value of investments**

Investments are stated at cost less impairment provisions. AerCap Trust evaluates its investments regularly for permanent impairments in value and records adjustments to the carrying value as appropriate. Despite best efforts to accurately estimate such amounts, actual results could materially differ from those estimates.

**AerCap Global Aviation Trust**

**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

**3. TURNOVER**

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
(a) An analysis of turnover by category is as follows:		
Rentals from aircraft under operating leases	<b>1,089,003</b>	1,315,423
Revenue from finance leases	<b>28,183</b>	34,176
Supplemental rent	<b>119,013</b>	136,281
End-of-Lease compensation adjustments	<b>154,330</b>	121,884
<b>Total</b>	<b><u>1,390,529</u></b>	<u>1,607,764</u>
(b) An analysis of turnover by geographic area is as follows:		
Asia	<b>482,084</b>	434,624
Europe	<b>528,099</b>	598,134
Middle East and Africa	<b>121,021</b>	247,689
North America	<b>226,214</b>	281,239
South America	<b>33,111</b>	46,078
<b>Total</b>	<b><u>1,390,529</u></b>	<u>1,607,764</u>

We lease most of our aircraft to airlines under operating leases. Under these leases, the lessee is responsible for the maintenance and servicing of the equipment during the lease term and the lessor receives the benefit, and assumes the risk of the residual value of the equipment at the end of the lease. Our lessees are also responsible for compliance with all applicable laws and regulations governing the leases, aircraft and all related costs. Upon expiration of an operating lease, we extend the lease term or take redelivery of the aircraft, remarket and re-lease it to a new lessee or sell the aircraft. Generally, the aircraft must remain in the possession of the lessees, and the lessor must approve any subleases of the aircraft.

Substantially all of our aircraft lease agreements provide for the payment of a fixed, periodic amount of rent. Certain of our leases contain extension options which provide the lessee the option to extend the lease on the provision of notice to the lessor. In addition, many of our leases require the payment of supplemental maintenance rent based on aircraft utilisation during the lease term, or end-of-lease compensation calculated with reference to the technical condition of the aircraft at lease expiration. Both supplemental rent and end-of-lease arrangements generally include escalation clauses with the rate payable increasing over time.

**4. STAFF COSTS**

AerCap Trust has no employees. Management and support services are provided to AerCap Trust by other AerCap Group companies. AerCap Group cost recharges are included in operating expenses (note 6).



**AerCap Global Aviation Trust**

**Notes to the Financial Statements  
For the year ended December 31, 2019**

**5. OPERATING INCOME**

	<b>2019</b>	2018
	<b>\$000</b>	\$000
Lease termination income	<b>2,094</b>	6,433
Sale of parts	<b>1,692</b>	3,535
Other	<b>1,890</b>	1,502
	<b><u>5,676</u></b>	<u>11,470</u>

Lease termination income arises from contractual obligations upon early termination of leases by the lessees during the year.

**6. OPERATING EXPENSES**

	<b>2019</b>	2018
	<b>\$000</b>	\$000
Group recharges	<b>64,858</b>	90,866
Leasing expenses	<b>52,182</b>	43,561
Provision for intercompany receivables	<b>21,896</b>	21,158
Other expenses	<b>24,618</b>	9,028
	<b><u>163,554</u></b>	<u>164,613</u>

Group recharges represent selling, general and administration (“SG&A”) costs incurred within AerCap Group which are recharged to individual entities based on transfer pricing methodology. Leasing expenses are costs directly incurred by AerCap Trust in relation to the leasing of aircraft, including costs directly incurred to transition aircraft between lessees.

In the year ended December 31, 2019 Management made a provision of \$21.9 million (2018: \$21.2 million) against intercompany loans primarily due to accumulated losses in certain entities being in excess of intercompany loans in those entities. Other expenses are various other administrative costs incurred directly by AerCap Trust. Included in other expenses is the Finance Lease impairment charge of \$12.5 million (see Note 13 for further details).

**7. NET INTEREST**

	<b>2019</b>	2018
	<b>\$000</b>	\$000
Loans to Group undertakings	<b>710,756</b>	627,124
Other interest income	<b>16,354</b>	11,883
	<b><u>727,110</u></b>	<u>639,007</u>
Loans from Group undertakings	<b>139,598</b>	161,610
External debt interest	<b>773,533</b>	767,841
<i>(less amount capitalized – See Note 19)</i>	<b><i>(33,811)</i></b>	<i>(55,433)</i>
Other interest expense	<b>4,344</b>	10,766
	<b><u>883,664</u></b>	<u>884,784</u>
<b>NET INTEREST EXPENSE</b>	<b><u>156,553</u></b>	<u>245,777</u>

**AerCap Global Aviation Trust**

**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

**7. NET INTEREST** *(continued)*

Interest payable in respect of borrowings wholly repayable in instalments with a maturity of:

	<b>2019</b>	2018
	<b>\$000</b>	\$000
Within five years	<b>621,165</b>	705,207
After five years	<b>262,499</b>	179,577
Total	<b><u>883,664</u></b>	<u>884,784</u>

**8. FIXED ASSETS - AIRCRAFT**

	<b>Year ended December 31, 2019</b>	Year ended December 31, 2018
	<b>\$000</b>	\$000
<b>Cost</b>		
Opening balance	<b>12,198,771</b>	13,656,149
Additions	<b>3,696,708</b>	5,363,195
Disposals	<b>(4,410,109)</b>	(6,820,573)
<b>Closing Balance</b>	<b><u>11,485,370</u></b>	<u>12,198,771</u>
<b>Depreciation and Impairment</b>		
Opening balance	<b>(2,131,605)</b>	(2,174,831)
Depreciation charge for the period	<b>(496,919)</b>	(642,361)
Impairment	<b>(103,206)</b>	(14,782)
Disposals	<b>532,933</b>	700,369
<b>Closing Balance</b>	<b><u>(2,198,797)</u></b>	<u>(2,131,605)</u>
<b>Net Book Value</b>		
At beginning of period	10,067,166	11,481,318
At end of period	<b><u>9,286,573</u></b>	<u>10,067,166</u>

During the year ended December 31, 2019 intercompany sales of 55 aircraft (year ended December 31, 2018: 72) with a net book value of \$3.2 billion (year ended December 31, 2018: \$5.0 billion) were recorded.

**AerCap Global Aviation Trust**

**Notes to the Financial Statements  
For the year ended December 31, 2019**

**8. FIXED ASSETS - AIRCRAFT** *(continued)*

The following table presents our aircraft portfolio by type of aircraft as of December 31, 2019:

<b>Aircraft Type</b>	<b>Number of Aircraft</b>	<b>Percentage of Total Net Book Value</b>
Airbus A320 Family	81	15.8%
Airbus A320neo Family	41	21.8%
Airbus A330	9	3.7%
Airbus A350	6	9.6%
Boeing 737NG	68	16.1%
Boeing 767	8	0.3%
Boeing 777-200ER	3	1.0%
Boeing 777-300/300ER	10	6.5%
Boeing 787	18	22.6%
Other	13	2.6%
	<u>257</u>	<u>100.0%</u>

Aircraft may be analysed as follows based on operating leases for a further period of:

	<b>December 31, 2019 \$000</b>	December 31, 2018 \$000
Off lease	<b>111,949</b>	90,417
Less than one year	<b>468,239</b>	792,083
From one to two years	<b>184,376</b>	1,120,649
From two to five years	<b>2,477,370</b>	2,067,120
After five years	<b>6,044,639</b>	5,996,897
	<u><b>9,286,573</b></u>	<u>10,067,166</u>

The carrying amount of aircraft to which title is restricted or pledged as security for liabilities at December 31, 2019 has a value of Nil (December 31, 2018: Nil).

In accordance with AerCap Trust's stated accounting policy, an impairment review was performed at the reporting date. As a result of this review, an impairment provision of \$103.2 million was recognised during the year ended December 31, 2019 (2018: \$14.8 million). Impairment is mainly driven by lease termination activity. The impairment provision was calculated by comparing the carrying value of the aircraft to the higher of their net realisable value and value in use, based on anticipated future cash flows, discounted at 5.8% (2018: 5.8%).

**9. INVENTORY**

	<b>December 31, 2019 \$000</b>	December 31, 2018 \$000
Aircraft parts	-	8,108
	<u>-</u>	<u>8,108</u>

**AerCap Global Aviation Trust**

**Notes to the Financial Statements  
For the year ended December 31, 2019**

**10. CASH AT BANK**

	<b>December 31, 2019 \$000</b>	December 31, 2018 \$000
Cash at bank	<u>154,352</u>	<u>318,445</u>
	<b><u>154,352</u></b>	<b><u>318,445</u></b>

There are no restrictions on the cash at bank.

**11. DEBTORS: Amounts falling due within one year**

	<b>December 31, 2019 \$000</b>	December 31, 2018 \$000
Amounts owed by Group undertakings	<b>17,449,658</b>	16,940,688
Provision against amounts owed by Group undertakings	<b>(103,007)</b>	(81,134)
Finance lease receivable (Note 13)	<b>41,607</b>	46,576
Lease premium	<b>513</b>	1,513
Other debtors	<b>151,010</b>	142,615
Trade receivables	<b>48,911</b>	30,806
Prepayments on aircraft	<u>768,663</u>	<u>958,972</u>
	<b><u>18,357,355</u></b>	<b><u>18,040,036</u></b>

**12. DEBTORS: Amounts falling due after more than one year**

	<b>December 31, 2019 \$000</b>	December 31, 2018 \$000
Finance lease receivable (Note 13)	<b>397,340</b>	430,172
Other debtors	<b>53,634</b>	54,861
Prepayments on aircraft	<b>214,245</b>	378,189
Lease premium	<u>2,279</u>	<u>2,870</u>
	<b><u>667,498</u></b>	<b><u>866,092</u></b>

**AerCap Global Aviation Trust**

**Notes to the Financial Statements  
For the year ended December 31, 2019**

**13. FINANCE LEASE RECEIVABLE**

	<b>December 31, 2019 \$000</b>	December 31, 2018 \$000
Finance lease receivable – non-current	<b>397,340</b>	<b>430,172</b>
Finance lease receivable – current	<b>41,607</b>	<b>46,576</b>
	<u><b>438,947</b></u>	<u><b>476,748</b></u>
<b>As at December 31, 2019</b>		
	<b>Gross Investment in Finance Leases \$000</b>	<b>Present Value Lease Payments \$000</b>
Not later than one year	<b>66,597</b>	<b>41,607</b>
Later than one year and not later than five years	<b>251,132</b>	<b>179,933</b>
Later than five years	<u><b>242,886</b></u>	<u><b>217,407</b></u>
	<u><b>560,615</b></u>	<u><b>438,947</b></u>

Gross Investment in Finance Leases of \$560.6 million (December 31, 2018: \$620.8 million) less Present Value Lease Payments of \$438.9 million (December 31, 2018: \$476.7 million) gives rise to total unearned finance lease income at December 31, 2019 of \$121.7 million (December 31, 2018: \$144.1 million).

The total unguaranteed residual value accruing to the benefit of the lessor as at December 31, 2019 is \$255.3 million (December 31, 2018: \$248.4 million). Following a review of Finance Lease residual values, we realised an impairment charge of \$12.5m (December 31, 2018: NIL).

There is no allowance for losses for uncollectible minimum lease payments receivable as at December 31, 2019 or December 31, 2018.

**14. CREDITORS: Amounts falling due within one year**

	<b>December 31, 2019 \$000</b>	December 31, 2018 \$000
Amounts owed to Group undertakings	<b>2,187,280</b>	3,135,430
Accruals and trade payables	<b>235,498</b>	240,769
Deferred revenue	<b>52,053</b>	62,892
Security deposits	<b>38,607</b>	79,092
Loans (Note 16)	<u><b>2,549,162</b></u>	<u>3,162,534</u>
	<u><b>5,062,600</b></u>	<u>6,680,717</u>

All amounts due to Group undertakings are due to the parent undertaking and fellow subsidiary undertakings, and are repayable on demand. Interest is charged at an average composite rate of 4.6% (year ended December 31, 2018: 4.9%).

**AerCap Global Aviation Trust**

**Notes to the Financial Statements  
For the year ended December 31, 2019**

**15. CREDITORS: Amounts falling due after more than one year**

	<b>December 31, 2019 \$000</b>	December 31, 2018 \$000
Security deposits	217,251	204,273
Vendor credit allocation	39,519	39,500
Maintenance reserves	683,464	735,787
Loans (Note 16)	<u>14,457,467</u>	<u>14,151,263</u>
	<u><b>15,397,701</b></u>	<u><b>15,130,823</b></u>

As at December 31, 2019, the lessees of AerCap Trust's aircraft have provided letters of credit totalling \$100.9 million as security against their rental and maintenance obligations under the lease agreements (December 31, 2018: \$104.6 million).

**16. LOANS AND OTHER BORROWINGS**

	December 31, 2019 \$000		December 31, 2018 \$000	
	Nominal Value	Book Value	Nominal Value	Book Value
Unsecured Notes				
ILFC Legacy Notes	2,900,000	2,999,093	4,900,000	5,077,451
AerCap Trust & AICDC	12,500,000	12,500,000	10,749,864	10,749,864
Secured Notes	-	-	-	-
Subordinated debt	1,500,000	1,499,778	1,500,000	1,499,774
Other secured debt	63,207	63,207	56,545	56,545
Debt Issuance costs	-	(55,449)	-	(69,837)
	<u>16,963,207</u>	<u>17,006,629</u>	<u>17,206,409</u>	<u>17,313,797</u>

	<b>December 31, 2019 \$000</b>	December 31, 2018 \$000
<b>Loan maturity</b>		
Amounts falling due within one year	2,549,162	3,162,534
Amounts falling due one to two years	3,119,733	2,549,868
Amounts falling due two to five years	6,342,975	7,115,361
Amounts falling due after more than five years	<u>4,994,759</u>	<u>4,486,034</u>
	<u><b>17,006,629</b></u>	<u><b>17,313,797</b></u>

## AerCap Global Aviation Trust

### Notes to the Financial Statements For the year ended December 31, 2019

#### 16. LOANS AND OTHER BORROWINGS *(continued)*

A reconciliation of the movement in each class of debt for the year ended December 31, 2019 is set out below:

	Jan 1, 2019 \$000	Issued \$000	Repaid \$000	Amortised \$000	Dec 31, 2019 \$000
Unsecured Notes					
ILFC Legacy Notes	5,077,451	-	(2,000,000)	(78,358)	<b>2,999,093</b>
AerCap Trust & AICDC	10,749,864	2,850,000	(1,099,864)	-	<b>12,500,000</b>
Subordinated debt	1,499,774	-	-	4	<b>1,499,778</b>
Other secured debt	56,545	7,822	(1,160)	-	<b>63,207</b>
Debt Issuance costs	(69,837)	(2,898)	-	17,286	<b>(55,449)</b>
	<u>17,313,797</u>	<u>2,854,924</u>	<u>(3,101,024)</u>	<u>(61,068)</u>	<u><b>17,006,629</b></u>

#### *ILFC Legacy Notes*

As of December 31, 2019, we had an aggregate outstanding principal amount of senior unsecured notes of \$2.9 billion issued by ILFC prior to the ILFC Transaction (the "ILFC Legacy Notes"). The ILFC Legacy Notes have maturities ranging through 2022. The fixed rate notes bear interest at rates ranging from 4.625% to 8.625%. The notes are not subject to redemption prior to their stated maturity and there are no sinking fund requirements. These notes are listed on the Main Securities Market of the Irish Stock Exchange.

The indentures governing the AGAT/AICDC Notes contain customary covenants that, among other things, restrict our, and our restricted subsidiaries', ability to incur liens on assets and to consolidate, merge, sell, or otherwise dispose of all or substantially all of our assets. The indentures also provide for customary events of default, including, but not limited to, the failure to pay scheduled principal and interest payments on the AGAT/AICDC Notes, the failure to comply with covenants and agreements specified in the indentures, the acceleration of certain other indebtedness resulting from non-payment of that indebtedness and certain events of insolvency. If any event of default occurs, any amount then outstanding under the indentures may immediately become due and payable.

#### *ILFC Legacy Notes (continued)*

Upon consummation of the ILFC Transaction, AerCap Trust became the successor issuer under the ILFC Legacy Notes indentures. ILFC also agreed to continue to be co-obligor. In addition, AerCap Holdings N.V. and certain of its subsidiaries became guarantors of the ILFC Legacy Notes.

#### *AerCap Trust & AICDC Notes*

From time to time since the completion of the ILFC Transaction, AerCap Trust and AICDC have co-issued additional senior unsecured notes (the "AGAT/AICDC Notes"). The proceeds from these offerings were used for general corporate purposes.

**AerCap Global Aviation Trust**

**Notes to the Financial Statements  
For the year ended December 31, 2019**

**16. LOANS AND OTHER BORROWINGS** *(continued)*

The following table provides a summary of the outstanding AGAT/AICDC Notes as of December 31, 2019:

	<b>As of December 31, 2019</b>		
	<b>Amount outstanding</b>	<b>Interest rate</b>	<b>Maturity</b>
May 2014 Notes	\$1,100,000	3.75%-4.50%	2020 -2021
September 2014 Notes	\$800,000	5.00%	2021
June 2015 Notes	\$1,000,000	4.25%-4.625%	2020 -2022
October 2015 Notes	\$1,000,000	4.625%	2020
May 2016 Notes	\$1,000,000	3.95%	2022
January 2017 Notes	\$600,000	3.50%	2022
July 2017 Notes	\$1,000,000	3.65%	2027
November 2017 Notes	\$800,000	3.50%	2025
January 2018 Notes	\$1,150,000	3.30%-3.875%	2023 -2028
June 2018 Notes	\$600,000	4.125%	2023
August 2018 Notes	\$600,000	4.45%	2025
January 2019 Notes	\$1,100,000	4.45%-4.875%	2021-2024
April 2019 Notes	\$1,000,000	4.45%-4.875%	2024-2026
August 2019 Notes	\$750,000	2.875%	2024
	<b>\$12,500,000</b>		

*AerCap Trust & AICDC Notes (continued)*

The AGAT/AICDC Notes are registered with the SEC. The AGAT/AICDC Notes are jointly and severally and fully and unconditionally guaranteed by AerCap Holdings N.V. and by AerCap Ireland, AerCap Aviation Solutions B.V., ILFC and AerCap U.S. Global Aviation LLC. Except as described below, the AGAT/AICDC Notes are not subject to redemption prior to their stated maturity and there are no sinking fund requirements. We may redeem each series of the AGAT/AICDC Notes in whole or in part, at any time, at a price equal to 100% of the aggregate principal amount plus the applicable "make-whole" premium plus accrued and unpaid interest, if any, to the redemption date.

The indentures governing the AGAT/AICDC Notes contain customary covenants that, among other things, restrict our, and our restricted subsidiaries', ability to incur liens on assets and to consolidate, merge, sell, or otherwise dispose of all or substantially all of our assets. The indentures also provide for customary events of default, including, but not limited to, the failure to pay scheduled principal and interest payments on the AGAT/AICDC Notes, the failure to comply with covenants and agreements specified in the indentures, the acceleration of certain other indebtedness resulting from non-payment of that indebtedness and certain events of insolvency. If any event of default occurs, any amount then outstanding under the indentures may immediately become due and payable.



## AerCap Global Aviation Trust

### Notes to the Financial Statements For the year ended December 31, 2019

#### 16. LOANS AND OTHER BORROWINGS *(continued)*

##### *ECAPS subordinated notes*

In December 2005, ILFC issued two tranches of subordinated notes in an aggregate principal amount of \$1.0 billion. Both the \$400.0 million and \$600.0 million tranches have a floating interest rate, with margins of 1.80% and 1.55% respectively, plus the highest of three-month LIBOR, ten-year constant maturity U.S. Treasury, and 30-year constant maturity U.S. Treasury.

The ECAPS contain customary financial tests, including a minimum ratio of equity to total managed assets and a minimum fixed charge coverage ratio. Failure to comply with these financial tests will result in a “mandatory trigger event.” If a mandatory trigger event occurs and we are unable to raise sufficient capital in a manner permitted by the terms of the subordinated debt to cover the next interest payment on the subordinated debt, a “mandatory deferral event” will occur, requiring us to defer all interest payments and prohibiting the payment of cash dividends on AerCap Trust’s or ILFC’s capital stock or its equivalent until both financial tests are met or we have raised sufficient capital to pay all accumulated and unpaid interest on the subordinated debt. Mandatory trigger events and mandatory deferral events are not events of default under the indenture governing the subordinated debt.

Upon consummation of the ILFC Transaction, the subordinated notes were assumed by AerCap Trust, and AerCap and certain of its subsidiaries became guarantors. ILFC remains a co-obligor under the indentures governing the subordinated notes. The addition of these subsidiary guarantors did not affect the subordinated ranking of these notes.

##### *Junior Subordinated Notes*

In June 2015, AerCap Trust issued \$500.0 million of junior subordinated notes due 2045 (the “Junior Subordinated Notes”). The Junior Subordinated Notes currently bear interest at a fixed interest rate of 6.5%, and beginning in June 2025, will bear interest at a floating rate of three-month LIBOR (or, if three-month LIBOR is no longer quoted at such time, the last quote available for three-month LIBOR) plus 4.3%.

The Junior Subordinated Notes are guaranteed by AerCap and certain of its subsidiaries. We may defer any interest payments on the Junior Subordinated Notes for up to five consecutive deferral periods. At the end of five years following the commencement of any deferral period, we must pay all accrued and unpaid deferred interest, including compounded interest.

We may at our option redeem the 2045 Junior Subordinated Notes before their maturity in whole or in part, at any time and from time to time, on or after June 15, 2025 at 100% of their principal amount plus any accrued and unpaid interest thereon.

The Junior Subordinated Notes are junior subordinated unsecured obligations, rank equally with all of AerCap Trust’s future equally ranking junior subordinated indebtedness, if any, and are subordinate and junior in right of payment to all of AerCap Trust’s existing and future senior indebtedness.

#### 17. INVESTMENT IN SUBSIDIARIES

	Year ended December 31, 2019 \$000	Year ended December 31, 2018 \$000
Opening balance	859,546	846,117
Movement	-	13,429
Provision	<u>(3,656)</u>	-
Closing balance	<u>855,890</u>	<u>859,546</u>

## AerCap Global Aviation Trust

### Notes to the Financial Statements For the year ended December 31, 2019

#### 17. INVESTMENT IN SUBSIDIARIES *(continued)*

Name	Domicile	Nature of business	Shareholding	Status
AerCap Aircraft 73B-30645 B.V.	Netherlands	Dormant	100%	Not Active
AerCap Aircraft 73B-30661 Limited	Ireland	Dormant	100%	Not Active
AerCap Aircraft 73B-32841 Limited	Ireland	Aircraft leasing	100%	Active
AerCap Aircraft 77B-32717 Limited	Ireland	Dormant	100%	Not Active
AerCap Dutch Global Aviation B.V.	Netherlands	Aircraft management	100%	Active
AerCap Hangar 52, Inc.	USA	Holding Company	100%	Active
AerCap U.S. Global Aviation LLC	USA	Holding Company	100%	Active
AerCap, LLC	USA	Holding Company	100%	Active
AerCap Group Services, LLC	USA	Aircraft Leasing	100%	Active
AerCap Leasing USA I, LLC	USA	Dormant	100%	Active
AerCap Leasing USA II, LLC	USA	Dormant	100%	Active
AerFunding Bermuda Leasing Limited	Bermuda	Aircraft leasing	100%	Active
AeroTurbine, LLC	USA	Aircraft leasing	100%	Active
Aircraft 32A-1658 Inc.	USA	Dormant	100%	Not Active
Aircraft 32A-1905 Inc.	USA	Aircraft leasing	100%	Active
Aircraft 32A-1946 Inc.	USA	Dormant	100%	Not Active
Aircraft 32A-2024 Inc.	USA	Dormant	100%	Not Active
Aircraft 32A-2594 Inc.	USA	Aircraft leasing	100%	Active
Aircraft 32A-2731 Inc.	USA	Dormant	100%	Not Active
Aircraft 32A-3424 Limited	UK	Aircraft leasing	100%	Active
Aircraft 32A-3454 Limited	UK	Aircraft leasing	100%	Active
Aircraft 32A-585 Inc.	USA	Dormant	100%	Not Active
Aircraft 32A-645 Inc.	USA	Aircraft leasing	100%	Active
Aircraft 32A-726 Inc.	USA	Dormant	100%	Not Active
Aircraft 32A-760 Inc.	USA	Dormant	100%	Not Active
Aircraft 32A-775 Inc.	USA	Dormant	100%	Not Active
Aircraft 32A-782 Inc.	USA	Dormant	100%	Not Active
Aircraft 32A-993, Inc.	USA	Dormant	100%	Not Active
Aircraft 33A-132, Inc.	USA	Dormant	100%	Not Active
Aircraft 33A-358 Inc.	USA	Dormant	100%	Not Active
Aircraft 34A-152 Inc.	USA	Dormant	100%	Not Active
Aircraft 34A-395 Inc.	USA	Dormant	100%	Not Active
Aircraft 34A-48 Inc.	USA	Dormant	100%	Not Active
Aircraft 34A-93 Inc.	USA	Dormant	100%	Not Active
Aircraft 73B-26317 Inc.	USA	Dormant	100%	Not Active
Aircraft 73B-28249 Inc.	USA	Dormant	100%	Not Active
Aircraft 73B-28252 Inc.	USA	Aircraft leasing	100%	Active

## AerCap Global Aviation Trust

### Notes to the Financial Statements For the year ended December 31, 2019

#### 17. INVESTMENT IN SUBSIDIARIES *(continued)*

Name	Domicile	Nature of business	Shareholding	Status
Aircraft 73B-30036 Inc.	USA	Aircraft leasing	100%	Active
Aircraft 73B-30646 Inc.	USA	Dormant	100%	Not Active
Aircraft 73B-30661 Inc.	USA	Dormant	100%	Not Active
Aircraft 73B-30671 Inc.	USA	Dormant	100%	Not Active
Aircraft 73B-30730 Inc.	USA	Aircraft leasing	100%	Active
Aircraft 73B-32796 Inc.	USA	Dormant	100%	Not Active
Aircraft 73B-32841 Inc.	USA	Dormant	100%	Not Active
Aircraft 73B-38821 Inc.	USA	Dormant	100%	Not Active
Aircraft 73B-41794 Inc.	USA	Dormant	100%	Not Active
Aircraft 73B-41796 Inc.	USA	Dormant	100%	Not Active
Aircraft 73B-41806 Inc.	USA	Dormant	100%	Not Active
Aircraft 73B-41815 Inc.	USA	Dormant	100%	Not Active
Aircraft 74B-27602 Inc.	USA	Dormant	100%	Not Active
Aircraft 75B-28834 Inc.	USA	Dormant	100%	Not Active
Aircraft 75B-28836 Inc.	USA	Dormant	100%	Not Active
Aircraft 76B-26261 Inc.	USA	Dormant	100%	Not Active
Aircraft 76B-26327 Inc.	USA	Aircraft leasing	100%	Active
Aircraft 76B-26329 Inc.	USA	Dormant	100%	Not Active
Aircraft 76B-27597 Inc.	USA	Aircraft leasing	100%	Active
Aircraft 76B-27600 Inc.	USA	Dormant	100%	Not Active
Aircraft 76B-27613 Inc.	USA	Dormant	100%	Not Active
Aircraft 76B-28132 Inc.	USA	Dormant	100%	Not Active
Aircraft 76B-28206 Inc.	USA	Dormant	100%	Not Active
Aircraft 77B-29404 Inc.	USA	Aircraft leasing	100%	Active
Aircraft 77B-32723 Inc.	USA	Dormant	100%	Not Active
Aircraft Andros, Inc.	USA	Dormant	100%	Active
Aircraft B757 29377 Inc.	USA	Aircraft leasing	100%	Active
Aircraft B757 29382 Inc.	USA	Aircraft leasing	100%	Active
Aircraft B767 29388 Inc.	USA	Dormant	100%	Not Active
Aircraft Lotus Inc	USA	Dormant	100%	Not Active
Aircraft SPC-12, LLC	USA	Holding Company	100%	Active
Aircraft SPC-3, Inc.	USA	Dormant	100%	Not Active
Aircraft SPC-4, Inc.	USA	Dormant	100%	Not active
Aircraft SPC-8, Inc.	USA	Holding Company	100%	Active
Aircraft SPC-9, LLC	USA	Holding Company	100%	Active
Apollo Aircraft Inc.	USA	Aircraft leasing	100%	Active
Archytas Aviation Limited	UK	Aircraft leasing	100%	Active
Arfaj Aircraft Leasing Limited	Ireland	Aircraft leasing	100%	Active

## AerCap Global Aviation Trust

### Notes to the Financial Statements For the year ended December 31, 2019

#### 17. INVESTMENT IN SUBSIDIARIES *(continued)*

Name	Domicile	Nature of business	Shareholding	Status
Artemis (Delos) Limited	Ireland	Aircraft leasing	100%	Active
Artemis Aircraft 32A-1925 Limited	Ireland	Aircraft leasing	100%	Active
Artemis Aircraft 32A-3309 Limited	Ireland	Aircraft leasing	100%	Active
Artemis Aircraft 32A-3385 (Ireland) Limited	Ireland	Aircraft leasing	100%	Active
Artemis Aircraft 32A-3388 (Ireland) Limited	Ireland	Aircraft leasing	100%	Active
Artemis Aircraft 73B-30671 Limited	Ireland	Aircraft leasing	100%	Active
Artemis Aircraft 77B-32725 Limited	Ireland	Aircraft leasing	100%	Active
Artemis Ireland Leasing Limited	Ireland	Dormant	100%	Active
Artemis US Inc.	USA	Holding Company	100%	Active
Ballymoon Aircraft Solutions Limited	Ireland	Aircraft leasing	100%	Active
Ballysky Aircraft Ireland Limited	Ireland	Aircraft leasing	100%	Active
Ballystar Aircraft Solutions Limited	Ireland	Dormant	100%	Active
Belmar Bermuda Leasing Limited	Bermuda	Aircraft leasing	100%	Active
Brokat Leasing, LLC	USA	Aircraft leasing	100%	Active
CABREA, Inc.	USA	Dormant	100%	Not Active
Calais Location S.A.R.L.	France	Aircraft leasing	100%	Active
Camden Aircraft Leasing Limited	Ireland	Dormant	100%	Active
Camden Aircraft Leasing Trust	USA	Aircraft leasing	100%	Active
Charleville Aircraft Leasing Limited	Ireland	Aircraft leasing	100%	Active
Charmlee Aircraft Inc.	USA	Aircraft leasing	100%	Active
Cloudbreak Aircraft Leasing Inc.	USA	Aircraft leasing	100%	Active
Delos Aircraft 76B-29387 Designated Activity Company	Ireland	Aircraft leasing	100%	Active
Delos Aircraft Limited	Ireland	Dormant	100%	Active
Delos Finance S.a.r.l.	Luxembourg	Aircraft Financing	100%	Active
Doheny Investment Holding Trust	USA	Dormant	100%	Not Active
Eden Aircraft Holding No. 2 Limited	Ireland	Aircraft leasing	100%	Active
Euclid Aircraft, Inc.	USA	Dormant	100%	Not Active
Excalibur Aircraft Leasing Limited	Ireland	Aircraft leasing	100%	Active
Excalibar One 77B LLC	USA	Aircraft leasing	100%	Active
Fleet Solutions Holdings LLC	USA	Holding Company	100%	Active
Flying Fortress Bermuda Leasing Ltd.	Bermuda	Aircraft leasing	100%	Active
Flying Fortress Financing LLC	USA	Holding Company	100%	Active
Flying Fortress Holdings LLC	USA	Holding Company	100%	Active
Flying Fortress Investments LLC	USA	Dormant	100%	Not Active
Flying Fortress Ireland Leasing Limited	Ireland	Aircraft leasing	100%	Active
Flying Fortress US Leasing Inc.	USA	Aircraft leasing	100%	Active
Fortress Aircraft 32A-2730 Limited	Ireland	Aircraft leasing	100%	Active

## AerCap Global Aviation Trust

### Notes to the Financial Statements For the year ended December 31, 2019

#### 17. INVESTMENT IN SUBSIDIARIES *(continued)*

Name	Domicile	Nature of business	Shareholding	Status
Fortress Aircraft 33A-0366 Limited	Ireland	Aircraft leasing	100%	Active
Fortress Aircraft 76B-29383 Designated Activity Company	Ireland	Aircraft leasing	100%	Active
Fortress Aircraft 78B-38761 Limited	Ireland	Aircraft leasing	100%	Active
Fortress Ireland Leasing Limited	Ireland	Aircraft leasing	100%	Active
Grand Staircase Aircraft, LLC	USA	Holding Company	100%	Active
Grenoble Location S.A.R.L.	France	Aircraft leasing	100%	Active
Hyperion Aircraft Financing Limited	Ireland	Holding Company	100%	Active
Hyperion Aircraft Limited	Ireland	Holding Company	100%	Active
ILFC (Bermuda) 5, Ltd.	Bermuda	Aircraft leasing	100%	Active
ILFC (Bermuda) III, Ltd.	Bermuda	Aircraft leasing	100%	Active
ILFC Aircraft 32A-1808 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 32A-1884 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 32A-1901 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 32A-1905 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 32A-2064 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 32A-2076 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 32A-2279 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 32A-2707 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 32A-2726 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 32A-2797 Limited	Ireland	Dormant	100%	Not Active
ILFC Aircraft 32A-3065 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 32A-3070 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 32A-3114 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 32A-3116 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 32A-3124 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 32A-4619 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 32A-591 Limited	Ireland	Dormant	100%	Not Active
ILFC Aircraft 32A-666 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 33A-1284 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 33A-253 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 33A-272 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 33A-432 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 33A-444 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 33A-454 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 33A-469 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 33A-822 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 33A-911 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-29344 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-29368 Limited	Ireland	Aircraft leasing	100%	Active

## AerCap Global Aviation Trust

### Notes to the Financial Statements For the year ended December 31, 2019

#### 17. INVESTMENT IN SUBSIDIARIES *(continued)*

Name	Domicile	Nature of business	Shareholding	Status
ILFC Aircraft 73B-29369 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-30658 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-30665 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-30667 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-30669 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-30672 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-30673 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-30694 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-30695 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-30696 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-30701 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-35275 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-38828 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-41784 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-41785 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-41789 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-41790 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-41791 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-41792 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-41793 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-41795 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-41802 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 73B-41803 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 75B-26330 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 75B-27208 Designated Activity Company	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 75B-29381 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 76B-27610 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 76B-27616 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 76B-27958 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 76B-28111 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 76B-28207 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 76B-29435 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 77B-29908 Limited	Ireland	Aircraft leasing	100%	Active
ILFC Aircraft 78B-38799 Inc.	USA	Aircraft Leasing	100%	Active
ILFC Aruba A.V.V.	Aruba	Aircraft leasing	100%	Active
ILFC Australia Holdings Pty. Ltd.	Australia	Holding Company	100%	Active
ILFC Australia Pty. Ltd.	Australia	Dormant	100%	Not Active
ILFC Aviation Consulting, Inc.	USA	Dormant	100%	Not Active

## AerCap Global Aviation Trust

### Notes to the Financial Statements For the year ended December 31, 2019

#### 17. INVESTMENT IN SUBSIDIARIES *(continued)*

Name	Domicile	Nature of business	Shareholding	Status
ILFC Cayman Limited	Cayman Islands	Aircraft leasing	100%	Active
ILFC Dover, Inc.	USA	Dormant	100%	Not Active
ILFC France S.A.R.L.	France	Aircraft leasing	100%	Active
ILFC Ireland Leasing Limited	Ireland	Aircraft leasing	100%	Active
ILFC Ireland Limited	Ireland	Aircraft leasing	100%	Active
ILFC Labuan ECA Ltd.	Malaysia	Aircraft leasing	100%	Active
ILFC Labuan Limited	Labuan	Aircraft leasing	100%	Active
ILFC Singapore Pte. Ltd.	Singapore	Aircraft management	100%	Active
ILFC UK Limited	UK	Aircraft leasing	100%	Active
ILFC Volare, Inc.	USA	Dormant	100%	Not Active
Interlease Aircraft Trading Corporation	USA	Dormant	100%	Not Active
Interlease Management Corporation	USA	Dormant	100%	Not Active
International Lease Finance Corporation	USA	Aircraft leasing	100%	Active
International Lease Finance Corporation (Sweden) AB	Sweden	Aircraft leasing	100%	Active
International Lease Finance Corporation, Limited	Bermuda	Aircraft leasing	100%	Active
Maiden Leasing, LLC	USA	Dormant	100%	Not Active
Menelaus I Limited	Ireland	Aircraft leasing	100%	Active
Menelaus II Designated Activity Company	Ireland	Aircraft leasing	100%	Active
Menelaus III Limited	Ireland	Aircraft leasing	100%	Active
Menelaus IV Limited	Ireland	Aircraft leasing	100%	Active
Menelaus V Limited	Ireland	Aircraft leasing	100%	Active
Menelaus VI Limited	Ireland	Aircraft leasing	100%	Active
Menelaus VII Limited	Ireland	Aircraft leasing	100%	Active
Menelaus VIII Limited	Ireland	Aircraft leasing	100%	Active
Mentes I Ireland Leasing Limited	Ireland	Aircraft leasing	100%	Active
Mentes II Ireland Leasing Limited	Ireland	Aircraft leasing	100%	Active
Mentes III Ireland Leasing Limited	Ireland	Aircraft leasing	100%	Active
Mentes IV Ireland Leasing Limited	Ireland	Aircraft leasing	100%	Active
Mentes V Ireland Leasing Limited	Ireland	Aircraft leasing	100%	Active
Mentes VI Ireland Leasing Limited	Ireland	Aircraft leasing	100%	Active
Mentes VII Ireland Leasing Limited	Ireland	Aircraft leasing	100%	Active
North Star Company Limited	China	Dormant	100%	Active
Park Topanga Aircraft, LLC	USA	Dormant	100%	Not Active
Pelican 35302, Inc.	USA	Aircraft leasing	100%	Active
Poseidon Leasing (Bermuda) Limited	Bermuda	Aircraft leasing	100%	Active
Quiescent Holdings Limited	Ireland	Aircraft leasing	100%	Active

## AerCap Global Aviation Trust

### Notes to the Financial Statements For the year ended December 31, 2019

#### 17. INVESTMENT IN SUBSIDIARIES *(continued)*

Name	Domicile	Nature of business	Shareholding	Status
Shrewsbury Aircraft Leasing Limited	Ireland	Aircraft leasing	100%	Active
Sierra Leasing Limited	Bermuda	Aircraft leasing	100%	Active
Skylease MSN (3365) Limited	Ireland	Aircraft leasing	100%	Active
Skylease MSN (3392) Limited	Ireland	Aircraft leasing	100%	Active
Skylease MSN 3564 Limited	Ireland	Aircraft leasing	100%	Active
Skylease MSN 3825 Limited	Ireland	Aircraft leasing	100%	Active
Skylease MSN 3859 Limited	Ireland	Aircraft leasing	100%	Active
Skylease MSN 4241 Limited	Ireland	Aircraft leasing	100%	Active
Skylease MSN 4267 Limited	Ireland	Aircraft leasing	100%	Active
Sunstar Limited	China	Aircraft leasing	100%	Active
Temescal Aircraft 32A-2383 Limited	Ireland	Aircraft leasing	100%	Active
Temescal Aircraft 33A-0758 Limited	Ireland	Aircraft leasing	100%	Active
Temescal Aircraft, LLC	USA	Aircraft Financing	100%	Active
Temescal UK Limited	United Kingdom	Dormant	100%	Active
Whitney France Leasing S.A.R.L.	France	Aircraft leasing	100%	Active
Whitney Ireland Leasing Limited	Ireland	Aircraft leasing	100%	Active
Whitney Leasing Limited	Bermuda	Aircraft leasing	100%	Active
Whitney UK Leasing Limited	UK	Aircraft leasing	100%	Active
Whitney US Leasing, Inc.	USA	Aircraft leasing	100%	Active
Wombat 3495 Leasing Pty Ltd	Australia	Dormant	100%	Not Active
Wombat 3547 Leasing Pty Ltd	Australia	Dormant	100%	Not Active
Wombat 3668 Leasing Pty Ltd	Australia	Aircraft leasing	100%	Active
Wombat V Leasing Pty Ltd	Australia	Dormant	100%	Not Active
XLease MSN 3008 Limited	Ireland	Aircraft leasing	100%	Active
XLease MSN 3420 Limited	Ireland	Aircraft leasing	100%	Active

#### 18. CONTROLLING PARTY

AerCap Trust is a 100% indirect subsidiary of AerCap Holdings N.V., a company incorporated in the Netherlands, into which the results of AerCap Trust are consolidated. The consolidated accounts of AerCap Holdings N.V. are publicly available from the Trade Register in the city of Amsterdam under the number 34251954.

#### 19. COMMITMENTS AND CONTINGENCIES

##### *Aircraft on order*

As of December 31, 2019, we had commitments to purchase 178 new aircraft scheduled for delivery through 2023. Our contractual commitments for the purchase of flight equipment amount to an estimated total of approximately \$10.0 billion (including adjustments for certain contractual escalation provisions). These commitments are based upon purchase agreements with Boeing, Airbus, and Embraer.



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**AerCap Global Aviation Trust**

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**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

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**19. COMMITMENTS AND CONTINGENCIES** *(continued)*

These agreements establish the pricing formulas (including adjustments for certain contractual escalation provisions) and various other terms with respect to the purchase of aircraft. Under certain circumstances, we have the right to alter the mix of aircraft types ultimately acquired. As of December 31, 2019, we had made non-refundable deposits on these purchase commitments (exclusive of capitalised interest and fair value adjustments) of approximately \$645.2 million.

The amount of borrowing costs capitalised in the year ended December 31, 2019 was \$33.8 million (year ended December 31, 2018: \$55.4 million) at a capitalisation rate for the year ended 31 December 2019 of 4.2% (year ended December 31, 2018: 4.0%).

Management anticipates that a portion of the aggregate purchase price for the acquisition of aircraft will be funded by incurring additional debt. The amount of the indebtedness to be incurred will depend upon the final purchase price of the aircraft, which can vary due to a number of factors, including inflation.

*Leases*

Future minimum contracted rentals under operating leases, where AerCap Trust is the lessor, as of December 31, 2019, were as follows:

	<b>December 31, 2019 \$000</b>
Less than one year	<b>1,007,323</b>
From one to two years	<b>945,742</b>
From two to five years	<b>2,372,540</b>
More than five years	<b>2,644,778</b>

Future minimum contracted rentals under operating leases, where AerCap Trust is the lessee, as of December 31, 2019, were as follows:

	<b>December 31, 2019 \$000</b>
Less than one year	<b>6,060</b>
From one to two years	<b>6,060</b>
From two to five years	<b>8,722</b>
More than five years	<b>-</b>

See accounting policy in Note 1 and Note 3 for further details on our significant leasing arrangements.

*Legal Proceedings*

In the ordinary course of our business, we are a party to various legal actions, which we believe are incidental to the operations of our business. AerCap Trust regularly reviews the possible outcome of such legal actions, and accrues for such legal actions at the time a loss is probable and the amount of the loss can be estimated. In addition, AerCap Trust also reviews the applicable indemnities and insurance coverage. Based on information currently available, we believe the potential outcome of these cases, and our estimate of the reasonably possible losses exceeding amounts already recognised on an aggregated basis is immaterial to our financial condition, results of operations or cash flows.

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## AerCap Global Aviation Trust

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### Notes to the Financial Statements For the year ended December 31, 2019

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#### 20. BENEFICIAL OWNERSHIP INTEREST

Prior to the Closing Date of the ILFC Transaction on May 14, 2014, AICDC, as beneficial owner of AerCap Trust, made a contribution amounting to \$4.5 billion to AerCap Trust to enable AerCap Trust to acquire all of ILFC's assets and substantially all of ILFC's liabilities in line with the Reorganisation.

In return for this contribution, AerCap Trust issued ownership interests ("Interests") in AerCap Trust the rights of which are set out in the AerCap Trust Deed. These Interests include (i) rights to profits, losses, allocations and distributions, (ii) rights to vote or grant or withhold consents with respect to AerCap Trust and (iii) beneficial interest in the property of AerCap Trust.

The Interests are a single class of beneficial ownership interest with no differences between the rights, preferences and restrictions of each Interest.

#### 21. RELATED PARTIES

AerCap Trust has availed of the exemption available under FRS 102 paragraph 33.1A which permits a qualifying entity to not give disclosures on transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

#### 22. SUBSEQUENT EVENTS

In February 2020, the Trust exercised an option to purchase an additional 50 Airbus A320neo Family aircraft from Airbus, with deliveries starting in 2024.

The recent outbreak of COVID-19 has caused certain underlying risks to our business posed by epidemic diseases, to crystallize. These risks include adverse effects to our financial condition arising from a significant decrease in commercial airline traffic. Internationally, countries have imposed travel restrictions and mandatory quarantine periods for people traveling from affected regions, and this has sharply reduced passenger demand for travel across the world, causing a great reduction in commercial airline traffic, substantial flight cancellations, and significant economic disruption.

Our financial condition depends on the ability of our lessees to perform their payment and other obligations to us under our leases, and the downturn in the aviation industry resulting from COVID-19 has begun and in the future could continue to weaken the financial condition and exacerbate the liquidity problems of some of our lessees, and further increases the risk that they will delay, reduce or fail to make rental payments when due. To date, we have agreed with many of our lessees to defer rent obligations. As the downturn continues, this will cause lower utilization of our aircraft assets, which in turn results in a reduction in supplemental maintenance rent or end-of-lease compensation payable to us, and could impact our ability to lease or sell our aircraft.

Moreover, our lessees are concentrated in certain geographical regions, including China, and some of these regions have suffered or may suffer disproportionate impacts from the virus. A downturn in the aviation industry that affects the regions where our lessees are concentrated to a greater degree than other regions will in turn have an increased impact on us. All of these actual and potential developments arising from the outbreak of COVID-19 could materially and adversely affect our financial condition, results and cash flows.

#### 23. DATE OF APPROVAL

The financial statements were approved by the AerCap Trust Officers on April 29th, 2020.